Talking Points
CA UIC Briefing for RA – March 14, 2016

- * Our last briefing for you on the CA UIC program was in October 2015
- * DOGGR had released their Renewal Plan for Oil and Gas Regulation in October 2015 (Regulatory overhaul; New regulations; Modernize Data management; High-Quality workforce)
- * Key developments: Ken Harris as new Supervisor; Aliso Canyon

Cover 2 main topics - Aquifer Exemptions and Overall Program Compliance

Aq. Exemptions

- **AE Compliance Schedule regulations**; emergency regulations in place (Apr 2015; expire July 2016); permanent rulemaking initiated in May 2015, DOGGR working to finalize before expiration of Emerg. Regs [Oct 2015 for disposal in sub-3,000; Dec. 2016 for HTAE; and Feb 2017 for the rest]
- Overall picture/status for AEs: about 532 disposal wells and 5,625 EOR wells (6,150+) [Share chart]

Reduced to 336 (out of 532) disposal wells +5,587 (out of 5,625) EOR wells =5,923 wells

Wells covered by packages that we have or are scheduled to go to WB by May 2016 = 4,455 Wells covered by packages with no specified timeframe for going to the WB = 1,279

5,734 wells (out of 5,923 wells - ~97%)

State messaging that packages not out for PN by August 15, 2016 will not make it (our Compliance Schedule included Aug 15, 2016 as a target for 90% of proposed AEs submitted to EPA)

- Arroyo Grande AE Request: consultant is reviewing the package; likely need to ask for additional information; first one taken through new state process/laws; will brief JB before making a final decision.

Overall Program Compliance

- **UIC Program Rulemaking**: 1st phase of rulemaking to address shortcomings in UIC program identified by EPA and to modernize and improve their UIC rules defining USDW, standards/permitting for cyclic steaming, MIT requirements, standards/process for establishing max injection pressure. [EPA comments on AOR for cyclic steam wells; USDW defn, and clarifying gas storage wells not UIC regulated]
- **Project-by-project reviews**: State plan to review all approved projects arose out of the Cypress report; Renewal Plan timeframe said initiate in Fall 2015 and complete all reviews by April 2017, with PAL review/revision as they go (Aliso Canyon event); we are continuing to work with the state to prioritize (e.g., disposal wells; wells in fresher aquifers; projects with no AOR...); the idea is to incorporate some products/milestones into Compliance Plan
- Class II UIC Database (WellSTAR): State tracking and reporting system; proof of concept began in January 2016; using an accepted Class II dbase platform developed by GWPC and tailoring it for CA.